Barclays Bank PLC – Dubai Branch

Pillar 3 Report

For the period ended 30 June 2024

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1. Introduction

Barclays Bank UAE, incorporated in 1975 in the UAE, is a full branch of Barclays Bank PLC (the Group). It has a restricted wholesale banking license and is regulated by the Central Bank of the UAE (CBUAE), while the Head Office (BBPLC) is regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). The frameworks, policies, standards and procedures of Barclays Group are applied consistently across its operating businesses and subsidiaries, amended where necessary to ensure compliance with local regulatory requirements.

Barclays Corporate Banking is operating in the UAE with the following set-up:

- Barclays offers onshore transaction banking products (i.e., Cash Management, Overdrafts, Trade & Working Capital and FX) in foreign and local (AED) currencies.
- Debt Finance products (i.e., long term debt and revolving credit facilities) are booked and serviced out of Barclays offices in the UK and UAE.
- Corporate Banking clients are serviced by Barclays Bank UAE through teams based in UAE and is supplemented by support from other Barclays' offices.
- Focus is on a select client portfolio that is aligned to the global Corporate Banking client strategy (see below).

The registered office and the address of the Bank is Barclays, Office 109, Level 1, The Offices 3, One Central, Dubai World Trade Centre, P.O.Box, 1891,Dubai, United Arab Emirates

The Pillar 3 disclosures reflect the activities of the branch in the United Arab Emirates only and exclude all transactions, assets and liabilities of the head office and its other branches elsewhere.

1.1 Overview of Basel III requirements

The Basel III framework implemented in the Bank is made up of three pillars.

- Pillar 1: Minimum Capital Requirements - This Pillar includes the calculation of RWAs for credit risk including counterparty credit risk, market risk and operational risk.
- Pillar 2: Supervisory Review and Evaluation Process (SREP) – This Pillar covers the consideration of whether additional capital is required over and above the Pillar 1 risk calculations. A firm's own internal models and assessments support this process.
- Pillar 3: Market Discipline – This Pillar covers external communication of risk and capital information by banks as specified in the Basel rules to promote transparency and good risk management.

1.2 Basis of Preparation

The purpose of this public disclosure is to provide detailed information on Barclays Bank Plc, UAE Branch (herein also referred to as the 'Bank') capital structure, capital adequacy, risk exposure and risk-weighted assets ("RWA"), leverage ratio and liquidity ratios as of 30 Jun 2024.

The following public disclosure presents the annual Pillar 3 disclosure of Barclays Bank UAE which has been prepared in accordance with the Central Bank of UAE "Standards and Guidance re Capital Adequacy in the UAE", Reference to Notice CBUAE/BSD/2022/5280 dated 30 December 2022 and Explanatory notes updated date 09 May, 2022 (Notice No. : CBUAE/BSD/N/2022/1887), as applicable to branches of foreign banks with total RWA of less than AED 5 billion.

The Pillar 3 Disclosure document has been prepared and presented using local currency – UAE Dirhams (AED'000).

1.3 Preparation and Approval

- The Pillar 3 report inputs are reviewed and approved by the respective functions i.e. Credit MI, Financial Control and Treasury.
- The Country Manager/ COO & CFO review and provide approval to publish the final report.

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2. Overview of risk management and RWA

2.1 Key metrics (KM1)

The objective of below table is to provide an overview of bank's prudential regulatory metrics, which covers the key prudential metrics related to regulatory capital, leverage ratio and liquidity standards. Accordingly, the Bank has disclosed all applicable metric values using the standards specified for the reporting period.

		Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
Sl No		AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	2,474,928	2,474,788	2,474,649	2,285,676	2,290,319
1a	Fully loaded ECL accounting model	2,474,928	2,474,788	2,474,649	2,285,676	2,290,319
2	Tier 1	2,474,928	2,474,788	2,474,649	2,285,676	2,290,319
2a	Fully loaded ECL accounting model Tier 1	2,474,928	2,474,788	2,474,649	2,285,676	2,290,319
3	Total capital	**2,502,165**	**2,502,103**	**2,500,109**	**2,314,291**	**2,321,925**
3a	Fully loaded ECL accounting model total capital	2,502,165	2,502,103	2,500,109	2,314,291	2,321,925
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	2,468,860	2,474,365	2,225,427	2,478,045	2,718,370
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	100.25%	100.02%	111.20%	92.24%	84.25%
5a	Fully loaded ECL accounting model CET1 (%)	100.25%	100.02%	111.20%	92.24%	84.25%
6	Tier 1 ratio (%)	100.25%	100.02%	111.20%	92.24%	84.25%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	100.25%	100.02%	111.20%	92.24%	84.25%
7	Total capital ratio (%)	101.35%	101.12%	112.34%	93.39%	85.42%
7a	Fully loaded ECL accounting model total capital ratio (%)	101.35%	101.12%	112.34%	93.39%	85.42%

Sl No.		Jun-24 AED (000)	Mar-24 AED (000)	Dec-23 AED (000)	Sep-23 AED (000)	Jun-23 AED (000)
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.05%	0.03%	0.06%	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.55%	2.53%	2.56%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	90.85%	90.62%	101.84%	82.89%	74.92%
	Leverage Ratio					
13	Total leverage ratio measure	6,638,657	7,468,484	6,687,411	6,900,111	8,323,063
14	Leverage ratio (%) (row 2/row 13)	37.28%	33.14%	37.00%	33.13%	27.52%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	37.28%	33.14%	37.00%	33.13%	27.52%
14 b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	37.28%	33.14%	37.00%	33.13%	27.52%
	Liquidity Coverage Ratio					
15	Total HQLA	N.A.	N.A.	N.A.	N.A.	N.A.
16	Total net cash outflow	N.A.	N.A.	N.A.	N.A.	N.A.
17	LCR ratio (%)	N.A.	N.A.	N.A.	N.A.	N.A.
	Net Stable Funding Ratio					
18	Total available stable funding	N.A.	N.A.	N.A.	N.A.	N.A.

		Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
Sl No.		AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
19	Total required stable funding	N.A.	N.A.	N.A.	N.A.	N.A.
20	NSFR ratio (%)	N.A.	N.A.	N.A.	N.A.	N.A.
	ELAR					
21	Total HQLA	3,357,348	3,226,263	2,949,139	3,163,927	2,692,123
22	Total liabilities	2,992,708	3,102,429	3,102,760	3,863,763	3,707,080
23	Eligible Liquid Assets Ratio (ELAR) (%)	112.18%	103.99%	95.05%	81.89%	72.62%
	ASRR					
24	Total available stable funding	4,096,466	4,467,504	4,520,057	4,676,001	4,712,057
25	Total Advances	1,986,824	2,015,452	1,766,316	2,273,292	2,816,982
26	Advances to Stable Resources Ratio (%)	48.50%	45.11%	39.08%	48.62%	59.78%

* ELAR is calculated based on the average of the daily balances during the quarter and ASRR is calculated based on the simple average of three monthly ASRR returns submitted to CBUAE during the quarter.

2.2 Overview of RWA (OV1)

The purpose of this metrics is to provide an overview of total risk weighted assets.

		RWA	RWA	Minimum Capital Requirement
		1-Jun-24	1-Mar-24	1-Jun-24
		AED (000)	AED (000)	AED (000)
1	Credit risk (excluding counterparty credit risk)	2,178,418	2,184,537	228,734
2	Of which: standardised approach (SA)	2,178,418	2,184,537	228,734
3	[redacted]			
4	[redacted]			
5	[redacted]			
6	Counterparty credit risk (CCR)	551	695	58
7	Of which: standardised approach for counterparty credit risk	551	695	58
8	[redacted]			
9	[redacted]			
10	[redacted]			
11	[redacted]			
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17	[redacted]			
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	1,615	857	170
21	Of which: standardised approach (SA)	1,615	857	170
22	[redacted]			
23	Operational risk	288,276	288,276	30,269
24	[redacted]			
25	[redacted]			
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**2,468,860**	**2,474,365**	**259,230**

3. Composition of capital

3.1 Composition of regulatory capital (CC1)

This template provides the breakdown of the constituent elements of a bank's capital.

		Amount AED (000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	2,540,214	Same as (h) from CC2 template
2	Retained earnings	(238,661)	
3	Accumulated other comprehensive income (and other reserves)	174,126	
4	*Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)*	-	
5	Common share capital issued by third parties (amount allowed in group CET1)	-	
6	**Common Equity Tier 1 capital before regulatory deductions**	**2,475,679**	
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	CC2 (a) minus (d)
9	Other intangibles including mortgage servicing rights (net of related tax liability)	751	CC2 (b) minus (e)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	-	
12	Securitisation gain on sale	-	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
14	Defined benefit pension fund net assets	-	
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-	
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	

		Amount AED (000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
20	Amount exceeding 15% threshold	-	
21	Of which: significant investments in the common stock of financials	-	
22	Of which: deferred tax assets arising from temporary differences	-	
23	CBUAE specific regulatory adjustments	-	
24	**Total regulatory adjustments to Common Equity Tier 1**	-	
25	**Common Equity Tier 1 capital (CET1)**	2,474,928	
	Additional Tier 1 capital: instruments		
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	CC2 (i)
27	OF which: classified as equity under applicable accounting standards	-	
28	Of which: classified as liabilities under applicable accounting standards	-	
29	*Directly issued capital instruments subject to phase-out from additional Tier 1*	-	
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	
31	*Of which: instruments issued by subsidiaries subject to phase-out*	-	
32	Additional Tier 1 capital before regulatory adjustments	-	

		Amount AED (000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Additional Tier 1 capital: regulatory adjustments		
33	Investments in own additional Tier 1 instruments	-	
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
36	CBUAE specific regulatory adjustments	-	
37	Total regulatory adjustments to additional Tier 1 capital	-	
38	**Additional Tier 1 capital (AT1)**	**0**	
39	**Tier 1 capital (T1= CET1 + AT1)**	**2,474,928**	
	Tier 2 capital: instruments and provisions		
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
41	*Directly issued capital instruments subject to phase-out from Tier 2*	-	
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
43	*Of which: instruments issued by subsidiaries subject to phase-out*	-	
44	Provisions	27,237	
45	**Tier 2 capital before regulatory adjustments**	**27,237**	

		Amount AED (000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Tier 2 capital: regulatory adjustments		
46	Investments in own Tier 2 instruments	-	
47	Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
49	CBUAE specific regulatory adjustments	-	
50	**Total regulatory adjustments to Tier 2 capital**	0	
51	**Tier 2 capital (T2)**	27,237	
52	**Total regulatory capital (TC = T1 + T2)**	2,502,165	
53	**Total risk-weighted assets**	2,468,860	
	Capital ratios and buffers		
54	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	100.25%	
55	**Tier 1 (as a percentage of risk-weighted assets)**	100.25%	
56	**Total capital (as a percentage of risk-weighted assets)**	101.35%	
57	**Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)**	2.55%	
58	**Of which: capital conservation buffer requirement**	2.50%	
59	**Of which: bank-specific countercyclical buffer requirement**	0.05%	
60	**Of which: higher loss absorbency requirement (e.g. DSIB)**	-	
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	90.85%	

		Amount AED (000)	Source based on reference numbers/let ter s of the balance sheet under the regulatory scope of consolidation
	The CBUAE Minimum Capital Requirement		
62	Common Equity Tier 1 minimum ratio	7.00%	
63	Tier 1 minimum ratio	8.50%	
64	Total capital minimum ratio	10.50%	
	Amounts below the thresholds for deduction (before risk weighting)		
66	Significant investments in common stock of financial entities	-	
68	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	27,237	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	27,237	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
73	*Current cap on CET1 instruments subject to phase-out arrangements*	-	
74	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-	
75	*Current cap on AT1 instruments subject to phase-out arrangements*	-	
76	*Amount excluded from AT1 due to cap (excess after redemptions and maturities)*	-	
77	*Current cap on T2 instruments subject to phase-out arrangements*	-	
78	*Amount excluded from T2 due to cap (excess after redemptions and maturities)*	-	

3.2 Reconciliation of regulatory capital to balance sheet (CC2)

This template enables users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between a bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template set out in Template CC1.

This template is not applicable for Barclays Bank UAE as of 30 June 2024, as we prepare, audit and publish the Financial Statements only on a yearly basis.

3.3 Main features of regulatory capital instruments (CCA) Quantitative Disclosures

The Bank operates as a branch of foreign bank in the UAE and share capital is composed only of the funding from the head office.

		Quantitative / qualitative information
1	Issuer	Not Applicable
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	
	Regulatory treatment	
4	Transitional arrangement rules (i.e. grandfathering)	
5	Post-transitional arrangement rules (i.e. grandfathering)	
6	Eligible at solo/group/group and solo	
7	Instrument type (types to be specified by each jurisdiction)	
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	
9	Nominal amount of instrument	
9a	Issue price	
9b	Redemption price	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior supervisory approval	
15	Optional call date, contingent call dates and redemption amount	
16	Subsequent call dates, if applicable	
	Coupons / dividends	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	
21	Existence of step-up or other incentive to redeem	
22	Non-cumulative or cumulative	
23	Convertible or non-convertible	
24	Writedown feature	
25	If writedown, writedown trigger(s)	
26	If writedown, full or partial	

		Quantitative / qualitative information
27	If writedown, permanent or temporary	Not Applicable
28	If temporary write-own, description of writeup mechanism	
28 a	Type of subordination	
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	
30	Non-compliant transitioned features	
31	If yes, specify non-compliant features	

4. Macro prudential Supervisory measures

4.1 Geographical distribution of credit exposures used in the countercyclical buffer (CCyB)

This template provides an overview of the geographical distribution of private sector credit exposures relevant for the calculation of the countercyclical buffer.

	a	b	c	d	e
Geographical breakdown	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values (AED'000)	Risk-weighted assets (AED'000)		
United Arab Emirates	0.00%	1,817,504	682,215	0.00%	-
Switzerland	0.00%	422,395	247,928	0.00%	-
Cayman Islands	0.00%	128,555	0	0.00%	-
United Kingdom	2.00%	26	0	0.00%	-
Germany	0.75%	15,000	1,702	0.00%	0.02
Ireland	1.00%	200,002	26,669	0.02%	6.05
Kuwait	0.00%	91,825	29,404	0.00%	-
Luxembourg	0.50%	117,913	23,802	0.01%	2.41
Netherlands	2.00%	4,000	974	0.00%	0.02
Poland	0.00%	7,346	3,673	0.00%	-
Sweden	2.00%	45,298	10,010	0.02%	1.70
United States	0.00%	1,199,791	149,455	0.00%	-
Total		**4,049,655**	**1,175,832**	**0.05%**	**618.15**

5. Leverage ratio

5.1 Leverage ratio common disclosure template (LR2)

This template provides a detailed breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers.

		Jun-24	Mar-24	Dec-23	Sep-23	Jun-23
On-balance sheet exposures		AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	5,187,125	6,398,833	5,433,532	5,603,275	7,098,863
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-	-	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-	-	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-	-	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	751	891	1,032	1,173	1,699
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	5,186,374	6,397,942	5,432,500	5,602,102	7,097,164
Derivative exposures						
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	0.01	3.25	0	18.23	1.82
9	Add-on amounts for PFE associated with *all* derivatives transactions	1,999.21	2,479.20	1,358.02	2,104.89	10,804.16
10	(Exempted CCP leg of client-cleared trade exposures)	-	-	-	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-	-	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-	-

13	**Total derivative exposures (sum of rows 8 to 12)**	2,798.91	3,475.43	1,901.23	2,972.37	15,128.37
Securities financing transactions						
14	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-	-
16	CCR exposure for SFT assets	-	-	-	-	-
17	Agent transaction exposures	-	-	-	-	-
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	-	-	-	-	-
Other off-balance sheet exposures						
19	Off-balance sheet exposure at gross notional amount	8,725,844	8,354,988	8,124,769	7,559,507	7,410,411
20	(Adjustments for conversion to credit equivalent amounts)	-7,276,361	-7,287,921	-6,871,759	-6,264,471	-6,199,640
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-	-	-	-
22	**Off-balance sheet items (sum of rows 19 to 21)**	1,449,484	1,067,067	1,253,010	1,295,036	1,210,771
Capital and total exposures						
23	**Tier 1 capital**	2,474,928	2,474,788	2,474,649	2,285,676	2,290,319
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	6,638,657	7,468,484	6,687,411	6,900,111	8,323,063
Leverage ratio						
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	37.28%	33.14%	37.00%	33.13%	27.52%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	37.28%	33.14%	37.00%	33.13%	27.52%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%	3.00%	3.00%	3.00%
27	**Applicable leverage buffers**	34.28%	30.14%	34.00%	30.13%	24.52%

6. Liquidity

6.1 Liquidity Coverage Ratio (LIQ1)

Bank is using the alternative approach for Liquidity Coverage Ratio (LCR) as per the provisions in Liquidity Risk regulation of CBUAE (2015), i.e., Eligible Liquid Assets Ratio (ELAR) hence it is not applicable.

6.2 Eligible Liquid Assets Ratio (ELAR)

Quantitative disclosures

This template presents the breakdown of a bank's available high-quality liquid assets (HQLA), as measured and defined according to the CBUAE Liquidity Regulations.

1	High Quality Liquid Assets	Nominal amount (AED'000)	Eligible Liquid Asset (AED'000)
1.1	Physical cash in hand at the bank + balances with the CBUAE	3,357,348	
s1.2	UAE Federal Government Bonds and Sukuks	-	
	Sub Total (1.1 to 1.2)	3,357,348	3,357,348
1.3	UAE local governments publicly traded debt securities	-	
1.4	UAE Public sector publicly traded debt securities	-	
	Sub total (1.3 to 1.4)	0	0
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	0
1.6	**Total**	**3,357,348**	**3,357,348**
2	Total liabilities		2,992,708
3	**Eligible Liquid Assets Ratio (ELAR)**		**112.18%**

6.3 Net Stable Funding Ratio (LIQ2)

Bank is using the alternative approach for Net Stable Funding Ratio (NSFR) as per the provisions in Liquidity Risk regulations of CBUAE (2015), i.e., Advances to Stable Resources Ratio (ASRR) hence it is not applicable.

6.4 Advances to Stable Resource Ratio (ASRR)

This template presents the breakdown of a bank's advances to Stables Resource ratio as per the Liquidity regulations.

		Items	Amount
1		**Computation of Advances**	(AED'000)
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	812,359
	1.2	Lending to non-banking financial institutions	130,315
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	41,434
	1.4	Interbank Placements	1,002,717
	1.5	**Total Advances**	1,986,824
2		**Calculation of Net Stable Resources**	
	2.1	Total capital + general provisions	2,561,317
		Deduct:	
	2.1.1	Goodwill and other intangible assets	798
	2.1.2	Fixed Assets	2,030
	2.1.3	Funds allocated to branches abroad	-
	2.1.5	Unquoted Investments	-
	2.1.6	Investment in subsidiaries, associates and affiliates	-
	2.1.7	**Total deduction**	2,828
	2.2	**Net Free Capital Funds**	2,558,490
	2.3	**Other stable resources:**	
	2.3.1	Funds from the head office	-
	2.3.2	Interbank deposits with remaining life of more than 6 months	-
	2.3.3	Refinancing of Housing Loans	-
	2.3.4	Borrowing from non-Banking Financial Institutions	429,853
	2.3.5	Customer Deposits	1,108,123
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-
	2.3.7	**Total other stable resources**	1,537,977
	2.4	**Total Stable Resources (2.2+2.3.7)**	4,096,466
3		**Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)**	48.50

The above represents simple average of three monthly ASRR returns submitted to CBUAE in Q2 2024.

7. Credit Risk

7.1 Credit quality of assets (CR1)

The principal objective of credit risk measurement is to produce the most accurate possible quantitative assessment of the credit risk to which the Bank is exposed, from the level of individual facilities up to the total portfolio. Integral to this is the assignment of obligor ratings, which are used in numerous aspects of credit risk management and in the calculation of regulatory and economic capital.

The key building blocks in this quantitative assessment are:

- Probability of default (PD)
- Exposure at default (EAD)
- Loss given default (LGD)

Balances as on 30 June 2024

		a	b	c	d	e	f
		Gross carrying values of		Allowances/Impairments	Of which ECL accounting provisions for credit		Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	42,429	5,144,696	66,617	38,801	27,816	**5,120,508**
2	Debt securities	-	-	-	-	-	-
3	Off-balance sheet exposures	237	2,492,669	3,709	-	3,709	**2,489,197**
4	**Total**	**42,666**	**7,637,365**	**70,326**	**38,801**	**31,525**	**7,609,705**

Definition of Default

The definition of default has been aligned to the Regulatory Capital CRR Article 178 definition of default (the obligor is considered unlikely to pay its credit obligations to Barclays in full without recourse to actions such as the realisation of collateral, (UTP). The obligor is more than 90days past due on any material credit obligation to Barclays, (90dpd)) which considers indicators that the debtor is unlikely to pay, which includes exposures where financial concessions have been granted and is no later than when the exposure is more than 90 days past due. When exposures are identified as credit impaired or purchased or originated as such interest income is calculated on the carrying value net of the impairment allowance.

The Bank's definition of default is consistent with the provisions of CUAE Circular 28/2010 (Regulation for Classification of Loans and their Provisions).

Within the Wholesale portfolios, the Basel definitions of default are used as default indicators. A default is deemed to have occurred with regard to a particular obligor if one or both of the following applies:
the obligor is considered unlikely to pay its credit obligations to Barclays in full without recourse to actions such as the realisation of collateral
the obligor is 90 days or more past due on any material credit obligation to Barclays

Examples of unlikeliness to pay include:

- the Group puts the credit obligation on a non-accrued status
- the Group makes a charge-off or account specific identified impairment resulting from a significant perceived decline in credit quality
- the Group sells the credit obligation at a material credit-related economic loss
- the Group triggers a petition for obligor's bankruptcy or similar order
- the Group becomes aware of the obligor having sought or having been placed in bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the Group
- the Group becomes aware of an acceleration of an obligation by a firm ▪ where the obligor is a bank – revocation of authorisation
- where the obligor is a sovereign – trigger of default definition of an approved External Credit Assessment Institution (ECAI) such as a rating agency

The DPD methodology requires the need to differentiate and understand the difference between a past due and breach:

Past due:

- Refers to any credit obligation that has not been paid at the date it was contractually due, specifically a past due commences from the date at which:
    - a payment was contractually due and has not been made; or
    - the facility expiry date has passed with a debit balance still outstanding; or
    - for overdrafts and other 'revolving credit' facilities, an obligor has breached the assigned limit, has been advised a limit smaller than the current outstanding balance, or has drawn an exposure without authorisation; or
    - for recourse factoring and purchased receivables: when the factoring account is in debit, i.e. from when the advances paid for the receivables exceed the percentage agreed with the obligor; or
    - for non-recourse factoring and purchased receivables: when the payment for a single receivable becomes due. In the specific case of undisclosed arrangements, past due commences from the moment when payments made by the debtor to the obligor should be paid across to Barclays
- Past due status is measured at the facility level, with credit obligations treated consistently irrespective of how the indebtedness is incurred, i.e. principal, interest or fees
- Where contractual terms and conditions allow the obligor to modify, restructure or suspend payments under defined conditions, and such terms are exercised, the exposure is not considered past due. In such circumstances, the counting of DPD is assessed relative to the revised contractual payment schedule once it is formally amended on the source booking system

Breach:

- Breach is a regulatory capital concept and occurs when aggregate past due(s) to an obligor have exceeded both materiality thresholds
- Breach status is measured at the **obligor level**, defined as being all entities within a Grade as Group (GAG) or Grade as Intermediate Group (GAIG) arrangement
- The number of days in breach is measured by the number of consecutive days an obligor's aggregate past dues have exceeded both materiality thresholds, irrespective of how many days underlying past dues have been outstanding ("Continuous Count" is where past dues cross and you have younger past dues that the breach itself)
- Breach start date re-assessed (Breach reassessment) if:
  - Change in GAG or GAIG structure, then the materiality thresholds are applied backdated on the new GAG or GAIG structure. The breach start date is adjusted to reflect the number of consecutive days the new GAG or GAIG past dues have exceeded both the thresholds
  - Removed technical past due(s) originated before the remaining non-technical past dues, then the breach start date is adjusted to reflect the number of consecutive days the remaining non- technical past dues have exceeded both the thresholds
- A breach is closed when one of the following occurs:
  - The underlying past due(s) are resolved and remediated to be back in order on the source system(s)
  - One or both materiality thresholds are not exceeded in the daily calculation
  - One or more past dues are determined to be technical in nature and material enough to close
    the breach when removed from the next day's threshold calculation

7.2 Changes in the stock of defaulted loans and debt securities (CR2)

		As of 30 Jun 2024 (AED '000)
1	**Defaulted loans and debt securities at the end of the previous reporting period (as at 31 Dec 2022)**	38,801
2	Loans and debt securities that have defaulted since the last reporting period	-
3	Returned to non-default status	-
4	Amounts written off	-
5	Other changes	-
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	**38,801**

7.3 Standardised approach - credit risk exposure and CRM effects (CR4)

This template illustrates the effect of CRM (comprehensive and simple approach) on standardised approach capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	2,975,249	0	2,975,249	0	0	0%
2	Public Sector Entities	564,316	46,436	564,316	11,738	326,616	57%
3	Multilateral development banks	0	0	0	0	0	0%
4	Banks	1,167,897	5,662,486	1,167,897	847,887	910,624	45%
5	Securities firms	0	0	0	0	0	0%
6	Corporates	379,544	3,016,685	379,544	571,127	848,973	89%
7	Regulatory retail portfolios	0	0	0	0	0	0%
8	Secured by residential property	0	0	0	0	0	0%
9	Secured by commercial real estate	0	0	0	0	0	0%
10	Equity Investment in Funds (EIF)	0	0	0	0	0	0%
11	Past-due loans	0	237	0	237	237	100%
12	Higher-risk categories	0	0	0	0	0	0%
13	Other assets	57,690	0	57,690	0	91,968	159%
14	**Total**	**5,144,696**	**8,725,844**	**5,144,696**	**1,430,989**	**2,178,418**	33%

The RWA density of 33% is calculated as Total risk-weighted assets/exposures post-CCF and post-CRM which includes sovereign exposures.
Key Movements - RWAs increased by AED 142 mn from AED 2036 bn reported in Dec 2023 primarily driven by increase in exposures for Banks offset by exposures for corporates

7.5 Standardised approach - exposures by asset classes and risk weights (CR5)

This template presents the breakdown of credit risk exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to standardised approach).

		A	b	c	d	e	f	g	h	I
	Risk Weight / Asset Class	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	2,975,249	0	0	0	0	0	0	0	2,975,249
2	Public Sector Entities	0	311,797	0	0	0	264,257	0	0	576,054
3	Multilateral development banks	0	0	0	0	0	0	0	0	0
4	Banks	0	329,833	0	1,682,595	0	3,349	8	0	2,015,784
5	Securities firms	0	0	0	0	0	0	0	0	0
6	Corporates	0	0	0	203,395	0	747,276	0	0	950,671
7	Regulatory retail portfolios	0	0	0	0	0	0	0	0	0
8	Secured by residential property	0	0	0	0	0	0	0	0	0
9	Secured by commercial real estate	0	0	0	0	0	0	0	0	0
10	Equity Investment in Funds (EIF)	0	0	0	0	0	0	0	0	0
11	Past-due loans	0	0	0	0	0	237	0	0	237
12	Higher-risk categories	0	0	0	0	0	0	0	0	0
13	Other assets	13,769	0	0	0	0	11,890	0	32,031	57,690
14	**Total**	**2,989,018**	**641,630**	**0**	**1,885,990**	**0**	**1,027,008**	**8**	**32,031**	**6,575,685**

Key Movements - Total credit Exposures (post CCF and post CRM) decreased by AED 51 mn from AED 6,626 bn reported in Dec 2023 largely driven by reduction in exposures for Sovereign and other assets offset by increase in exposures for Banks

8. Market Risk

8.1 Market risk under the standardised approach (MR1)

This table provides the components of the capital requirement under the standardised approach for market risk.

		RWA AED ('000)
1	General Interest rate risk (General and Specific)	-
2	Equity risk (General and Specific)	-
3	Foreign exchange risk	1,615
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	[redacted]	
8	Securitisation	-
9	**Total**	**1,615**